



Reprinted  
February 26, 1999

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## SENATE BILL No. 161

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DIGEST OF SB 161 (Updated February 25, 1999 4:08 pm - DI 44)

**Citations Affected:** IC 4-30; IC 5-10.3.

**Synopsis:** Appropriations to pension relief fund. Establishes a \$10,000,000 annual transfer of lottery revenues to the "m" portion of the pension relief fund. Annually appropriates \$100,000,000 from the state general fund and \$10,000,000 from money received by the state lottery commission to the "m" portion of the pension relief fund for police and fire pension funds.

**Effective:** July 1, 1999.

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**Mills, Long**

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January 6, 1999, read first time and referred to Committee on Finance.  
February 22, 1999, amended, reported favorably — Do Pass.  
February 25, 1999, read second time, amended, ordered engrossed.

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SB 161—LS 6639/DI 44+



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First Regular Session 111th General Assembly (1999)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1998 General Assembly.

## SENATE BILL No. 161

A BILL FOR AN ACT to amend the Indiana Code concerning public pensions and to make an appropriation.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 4-30-16-3 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 3. (a) The commission  
3 shall transfer the surplus revenue in the administrative trust fund as  
4 follows:  
5 (1) Before the last business day of January, April, July, and  
6 October, the commission shall transfer to the treasurer of state, for  
7 deposit in the Indiana state teachers' retirement fund (IC  
8 21-6.1-2), an amount equal to the lesser of:  
9 (A) seven million five hundred thousand dollars (\$7,500,000);  
10 or  
11 (B) the additional quarterly contribution needed so that the  
12 ratio of the unfunded liability of the Indiana state teachers'  
13 retirement fund compared to total active teacher payroll is as  
14 close as possible to but not greater than the ratio that existed  
15 on the preceding July 1.  
16 On or before June 15 of each year, the board of trustees of the  
17 Indiana state teachers' retirement fund shall submit to the

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1 treasurer of state, each member of the pension management  
 2 oversight commission, and the auditor of state its estimate of the  
 3 quarterly amount needed to freeze the unfunded accrued liability  
 4 of the pre-1996 account (as defined in IC 21-6.1-1-6.9) as a  
 5 percent of payroll. The estimate shall be based on the most recent  
 6 actuarial valuation of the fund. Notwithstanding any other law,  
 7 including any appropriations law resulting from a budget bill (as  
 8 defined in IC 4-12-1-2), the money transferred under this  
 9 subdivision shall be set aside in a special account to be used as a  
 10 credit against the unfunded accrued liability of the pre-1996  
 11 account (as defined in IC 21-6.1-1-6.9) of the Indiana state  
 12 teachers' retirement fund. The money transferred is in addition to  
 13 the appropriation needed to pay benefits for the state fiscal year.  
 14 (2) Before the last business day of January, April, July, and  
 15 October, the commission shall transfer two million five hundred  
 16 thousand dollars (\$2,500,000) of the surplus revenue to the  
 17 treasurer of state for deposit in the pension relief fund (IC  
 18 5-10.3-11).

19 **(3) Before the last business day of January, April, July, and**  
 20 **October, the commission shall transfer two million five**  
 21 **hundred thousand dollars (\$2,500,000) of the surplus revenue**  
 22 **to the treasurer of state for deposit in the "m" portion of the**  
 23 **pension relief fund (IC 5-10.3-11).**

24 ~~(3)~~ **(4)** The surplus revenue remaining in the fund on the last day  
 25 of January, April, July, and October after the transfers under  
 26 subdivisions (1) ~~and (2)~~ **through (3)** shall be transferred by the  
 27 commission to the treasurer of state for deposit on that day in the  
 28 build Indiana fund.

29 (b) The commission may make transfers to the treasurer of state  
 30 more frequently than required by subsection (a). However, the number  
 31 of transfers does not affect the amount that is required to be transferred  
 32 for the purposes listed in subsection (a)(1) ~~and (a)(2)~~ **through (a)(3).**  
 33 Any amount transferred during the month in excess of the amount  
 34 required to be transferred for the purposes listed in subsection (a)(1)  
 35 ~~and (a)(2)~~ **through (a)(3)** shall be transferred to the build Indiana fund.

36 SECTION 2. IC 5-10.3-11-1 IS AMENDED TO READ AS  
 37 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 1. **(a)** There is created  
 38 within the public employees' retirement fund a separate account known  
 39 as the pension relief fund. This fund is administered by the board of  
 40 trustees of the public employees' retirement fund, referred to as the  
 41 "state board" in this chapter. The pension relief fund consists of  
 42 revenues received under IC 6-7-1-28.1(4), IC 7.1-4-12-1, any



1 appropriations to the fund, and earnings on these revenues.  
2 (b) There is annually appropriated to the "m portion" of the  
3 pension relief fund one hundred million dollars (\$100,000,000)  
4 from the state general fund for carrying out the purposes of the  
5 pension relief fund.

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## COMMITTEE REPORT

Mr. President: The Senate Committee on Finance, to which was referred Senate Bill No. 161, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning public pensions and to make an appropriation.

Page 1, line 1, delete "IC 4-30-16-3" and insert "IC 5-10.3-11-1".

Page 1, delete lines 2 through 17 and insert "FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 1. (a) There is created within the public employees' retirement fund a separate account known as the pension relief fund. This fund is administered by the board of trustees of the public employees' retirement fund, referred to as the "state board" in this chapter. The pension relief fund consists of revenues received under IC 6-7-1-28.1(4), IC 7.1-4-12-1, any appropriations to the fund, and earnings on these revenues.

**(b) There is annually appropriated to the "m portion" of the pension relief fund one hundred million dollars (\$100,000,000) from the state general fund for carrying out the purposes of the pension relief fund."**

Delete page 2.

and when so amended that said bill do pass.

(Reference is to SB 161 as introduced.)

BORST, Chairperson

Committee Vote: Yeas 14, Nays 0.

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## SENATE MOTION

Mr. President: I move that Senate Bill 161 be amended to read as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 4-30-16-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 3. (a) The commission shall transfer the surplus revenue in the administrative trust fund as follows:

(1) Before the last business day of January, April, July, and October, the commission shall transfer to the treasurer of state, for deposit in the Indiana state teachers' retirement fund (IC 21-6.1-2), an amount equal to the lesser of:

(A) seven million five hundred thousand dollars (\$7,500,000);

or

(B) the additional quarterly contribution needed so that the ratio of the unfunded liability of the Indiana state teachers' retirement fund compared to total active teacher payroll is as close as possible to but not greater than the ratio that existed on the preceding July 1.

On or before June 15 of each year, the board of trustees of the Indiana state teachers' retirement fund shall submit to the treasurer of state, each member of the pension management oversight commission, and the auditor of state its estimate of the quarterly amount needed to freeze the unfunded accrued liability of the pre-1996 account (as defined in IC 21-6.1-1-6.9) as a percent of payroll. The estimate shall be based on the most recent actuarial valuation of the fund. Notwithstanding any other law, including any appropriations law resulting from a budget bill (as defined in IC 4-12-1-2), the money transferred under this subdivision shall be set aside in a special account to be used as a credit against the unfunded accrued liability of the pre-1996 account (as defined in IC 21-6.1-1-6.9) of the Indiana state teachers' retirement fund. The money transferred is in addition to the appropriation needed to pay benefits for the state fiscal year.

(2) Before the last business day of January, April, July, and October, the commission shall transfer two million five hundred thousand dollars (\$2,500,000) of the surplus revenue to the treasurer of state for deposit in the pension relief fund (IC 5-10.3-11).

**(3) Before the last business day of January, April, July, and October, the commission shall transfer two million five**



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**hundred thousand dollars (\$2,500,000) of the surplus revenue to the treasurer of state for deposit in the "m" portion of the pension relief fund (IC 5-10.3-11).**

~~(3)~~ **(4)** The surplus revenue remaining in the fund on the last day of January, April, July, and October after the transfers under subdivisions (1) ~~and (2)~~ **through (3)** shall be transferred by the commission to the treasurer of state for deposit on that day in the build Indiana fund.

(b) The commission may make transfers to the treasurer of state more frequently than required by subsection (a). However, the number of transfers does not affect the amount that is required to be transferred for the purposes listed in subsection (a)(1) ~~and (a)(2)~~ **through (a)(3)**. Any amount transferred during the month in excess of the amount required to be transferred for the purposes listed in subsection (a)(1) ~~and (a)(2)~~ **through (a)(3)** shall be transferred to the build Indiana fund."

Renumber all SECTIONS consecutively.

(Reference is to SB 161 as printed February 23, 1999.)

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